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Contact: Erin Shields
202-224-4515

Barriers to Work for Individuals Receiving Social Security Disability Benefits
Opening Statement of Senator Max Baucus (D-Mont.)

The Psalmist prayed: "Establish the work of our hands for us — yes, establish the work of our hands."

People have long known the value of work. But for some reason, when it comes to people who are receiving Social Security disability benefits, the government makes it hard for people to work.

Today we examine those barriers to work. What are they? And what can we do to eliminate them?

The Social Security Administration runs two programs for people with disabilities. Social Security Disability Insurance, or SSDI, provides wage replacement income for people who have paid payroll taxes and then suffer a disability. And Supplemental Security Income, or SSI, provides payments to meet basic needs for people with disabilities who have little or no income.

But the government has structured these programs so that they discourage work. For example, in 2004, only six out of every 1,000 SSDI beneficiaries left the program to work. Why do so few people go back to work?

One barrier is fear. Some fear that they will lose their health insurance coverage. Some fear that the government will ask them to repay overpayments of benefits. Social Security sometimes requires repayment because it does not have enough staff to process earnings reports. Some fear that it would take a long time to return to the program if their health worsened again. And some fear that the government might use a successful period of work against them if they needed to return to the program.

Another barrier to employment is health. Applicants for SSDI or SSI often have to wait several years before they can get on the program. SSI beneficiaries then get health coverage under Medicaid. But SSDI beneficiaries are eligible for Medicare only after two more years on the program. During the time that people are waiting for coverage, a medical condition can worsen. And that can make it harder to return to work.

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Another barrier to work is the lack of rehabilitation services. State vocational rehabilitation agencies have limited openings. And these agencies are not required to give Social Security disability beneficiaries any priority.

The Ticket to Work program that Congress enacted in 1999 gives beneficiaries a voucher to get rehabilitation services from approved providers. But only one in every 61 of these tickets was assigned to a service provider. Something is not working there.

Another barrier is the number and complexity of work incentives in the law. Beneficiaries don't understand the rules. And beneficiaries face heavy documentation burdens.

And the law creates barriers to work with restrictions on earnings and assets. For SSDI, after nine months of working, if beneficiaries earn more than \$900 in a month, they lose their entire cash benefit. There is no gradual reduction in SSDI, as there is in SSI.

And under SSI, the amount that a beneficiary can receive in earnings or other benefits before losing SSI benefits has not been changed since 1974. Beneficiaries can hold no more than \$2,000 in assets, and that has not changed since 1989. This asset limit makes it impossible to save for education that might help to get a job.

There is much here that we need to change. I look forward to hearing recommendations from our witnesses on how we can reduce these barriers to employment.

Let us recognize the value of work. Let us remove barriers between beneficiaries and the workforce. And so let us make it easier for people with disabilities to establish the work of their hands.

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